

**REGULAR MEETING**

The HBPW Board of Directors met  
**November 6, 2023**  
at 4:00 p.m.  
625 Hastings Ave.  
Holland, Michigan

**Chair Thompson called the meeting to order at 4:00 p.m.**

**Members Present:** PJ Thompson, Carolyn Maalouf, Paul Lilly, Beth Snyder, Brian Lynn, City Council Liaison Nathan Bocks, and Ex Officio Members Dave Couch and Keith Van Beek

**Members Absent:**

**Staff Present:** Dave Koster, Janet Lemson, Ted Siler, Becky Lehman, Joel Davenport, Chuck Warren, Pieter Beyer, Pete Hoffswell, Bill Badran, Chris Van Dokkumburg, Pieter Beyer, Julie DeCook, Phil Leerar, Paul Matz (Rehman --- auditors)

24.075 **Approval of Agenda**

*Board Member Lilly made a motion to approve the agenda. The motion was seconded by Board Member Snyder.*

24.076 **Board Minutes – Regular Meeting Minutes of October 9, 2023, and Special Meeting Minutes of October 23, 2023**

*As part of the Consent Agenda, the Board of Directors approved the minutes as presented.*

24.077 **Correct FY 2024 Electric Distribution Capital Budget**

While completing various improvement projects at 49 West, staff noticed that the approved FY 2024 capital budget for 49 West projects had two items mislabeled. These items are highlighted in the attachment to this recommendation. The amount shown for "Magna Building - Upgrade main controller that is from 1997\*\*" (\$130,000) should be assigned to "Magna Building - Replace one of the condensing units that is from 1997\*\*." The amount assigned to "Magna Building - Replace one of the condensing units that is from 1997\*\*" (\$35,000) should be assigned to "Magna Building - Upgrade main controller that is from 1997\*\*."

This amendment is being requested in order to comply with the Holland City Charter, Section 12.8, which states the *board of public service [works] shall make no improvement of, addition to, or extension of any public service work of the city in any year, except in accordance with such report as approved or modified by the council with respect to both the nature and the estimated cost thereof, unless the same shall be first approved by the council.*

*As part of the Consent Agenda, the Board of Directors approved the correction of the identified clerical error in the FY 2024 Electric Distribution Capital Budget.*

24.078 **Capital Budget Amendment for Replacement of Miss Dig Service Truck**

Three bids were received for the replacement of Truck 81 which is used by locators for Miss Dig services. The bids listed below are inclusive of trade-in value for the current truck.

*\* Red italics indicate information or discussion added during the meeting and/or action taken.*

- Barber Ford (2024 F150) - \$53,327
- Denooyer Chevrolet (2024 Chevy 1500) - \$58,027
- Sourcewell (2023 F150) - \$60,898

Since the cost of Miss Dig services are shared among utilities, the replacement was budgeted as an administrative capital purchase at \$38,000. A transfer from contingency for an additional \$16,000 is needed to cover the purchase of an F150 from Barber Ford.

*As part of the Consent Agenda, the Board of Directors approved a FY 2024 capital budget amendment in the amount of \$16,000 for the replacement of Truck 81 for a total revised replacement budget of \$54,000.*

24.079 Action on Consent items:

Motion to approve, accept, or adopt Consent Agenda items	<i>Lilly</i>
Second	<i>Maaloluf</i>
Favor	<i>5</i>
Oppose	<i>0</i>

24.080 **Communications from the Audience**

*John Winfrey, 17547 Park Place Circle, Ferrysburg MI 49456 Just wanting to understand more about our Broadband*

24.081 **Major Project Update**

*For information only*

24.082 **Audited Financial Report for FY 2023**

Rehmann Robson LLC was retained by the City and HBPW to perform the audit for FY 2023. The HBPW Board of Directors Audit Committee met with the auditors prior to this presentation to facilitate closure of the audit process and to provide the Board an opportunity to directly and independently communicate with the auditors. The Committee reviewed and discussed the results of the audit with the auditors

*Recommendation: The Board of Directors accepted the audited financial statements and related independent auditor's report issued by Rehmann Robson LLC regarding the FY 2023 financial position of HBPW*

<i>Motion to approve recommendation</i>	<i>Lilly</i>
<i>Second</i>	<i>Lynn</i>
<i>Favor</i>	<i>5</i>
<i>Oppose</i>	<i>0</i>

24.083 **Broadband Fulfillment Services Agreement with ITG Communications, LLC**

The Holland City Fiber (HCF) has two main components of construction – the passing and the drop. The passing design and construction by EX2 is underway, with initial fiberhood completions expected in the spring of 2024. Following passing construction in a fiberhood, drop construction and service activation are needed to provide service to new customers. This is called Broadband Service Fulfillment. Staff recommends an engagement with ITG to complete Fulfillment Services for the Holland City Fiber project.

*\* Red italics indicate information or discussion added during the meeting and/or action taken.*

HBPW Broadband Services conducted an RFP process to seek the best partner for this activity. Staff reached out to multiple vendors, and bids were received from Aspen Smart Networks and ITG

Communications. Broadband Services also interviewed non-bidder industry leader Ontrac to provide another data point in the evaluation process. Ontrac did not bid on the project based on its smaller size.

<u>Supplier</u>	<u>Bid Price</u>	<u>Evaluation Score</u>
ITG Communications	\$1,646,110.00	92.5
Aspen Smart Networks	\$2,361,650.00	71.4

After bidder interviews and evaluation, ITG is recommended as the successful bidder for Broadband Service Fulfillment.

The RFP called for a unit price bid on a representative quantity of units and does not represent the full cost of broadband fulfillment. HBPW will provide the materials for the Fulfillment Services and also complete some portions of the in-home activations to help reduce costs and train staff. Estimates to provide service at a 51% take rate was estimated to be \$820 per drop per the 2021 HBPW - FTTP Design and Cost Estimates report provided by CTC. Staff estimates the average drop cost installation will be about 40% higher than the preliminary estimates provided during the 2021 CTC study as a result of the drop service cost bid result and material cost increases (fiber, electronics, etc.).

The attached files include the original RFP document package, including contract, ITG's proposal, and pricing detail. The revised pricing model attachment includes more detail for specific costs as part of the overhead and underground services.

*Recommendation: The Board of Directors approved a unit price contract with ITG pending approval as to form from the City Attorney.*

<i>Motion to approve recommendation</i>	<i>Lilly</i>
<i>Second</i>	<i>Snyder</i>
<i>Favor</i>	<i>5</i>
<i>Oppose</i>	<i>0</i>

24.084 **Large Electric Customer Rate Revisions**

Recommendations from staff and Utility Financial Solutions, LLC as part of a FY23 tactical action to assess customer concentration risk and rate structure analysis indicated a need for revisions to Electric Rate K for customers with a billing demand greater than 1,000 kW. Revisions include market-based tiers and time-of-use of day and seasonal consumption for usage under the market-based thresholds.

Details of the study were presented at the June 12, 2023, Board meeting for information. Adjustments have been made to the Rate K rate sheet to include time of use periods and a Market-Based Threshold definition.

This rate is being presented for approval outside of our normal rate update timing in order to give large customers time to implement any adjustments they deem necessary as a result of the rate change.

*Recommendation: The Board of Directors approved the revisions to electric Rate K and forwarded them to City Council for approval.*

*\* Red italics indicate information or discussion added during the meeting and/or action taken.*



*Motion to approve recommendation*  
*Second*  
*Favor*  
*Oppose*

*Lilly*  
*Snyder*  
*5*  
*0*

24.087

**General Manager Comments**

- Our next meeting, a study session, is scheduled for November 27; topics for this meeting include follow up to the Strategic Planning, and addressing/reviewing the Electric Utility Issues
- The General Manager reviewed the recently passed State of Michigan energy legislation including a bill to adopt new renewable and clean energy standards, a bill to set mandates for energy waste reduction programs, and a bill to provide to Michigan Public Service Commission approval of siting of certain renewable energy and energy storage systems.

24.088

**Board Comments**

- Lilly reminded of the Water System Advisory Council Meeting on November 27, just prior to our study session

**ADJOURNMENT**

A motion to adjourn the meeting of *November 6, 2023*, was made by *Maalouf* supported by *Snyder* and agreed upon by the Board of Directors present.

The Board Meeting of November 6, 2023, adjourned at *5:49 p.m.*

Minutes respectfully submitted by,

Janet Lemson, Secretary to the Board